# CAST BRIEFING 28 - April 2024



How not to transform: Learning from the backlash against low-carbon heating policy in Germany

### Key messages:

- Choice reduces backlash. Policymakers should provide a variety of fair and affordable policy options so that individuals can adopt what works best for them.
- **Governments should communicate clearly and effectively** in advance about what climate policies mean for people.
- Whilst the political consensus remains on the *need* to tackle climate change, the policies of how to decarbonise can be politically contested. But in this, the critical decade of decarbonisation, policymakers should be acutely aware of the risks when politicising the implementation of effective climate action.



Centre for **Climate Change** and **Social Transformations**  CAST is a global hub for understanding the systemic and society-wide transformations that are required to address climate change. Based at the University of Bath, our additional core partners are Cardiff University, the University of East Anglia, the University of York, the University of Manchester and the charity Climate Outreach.

### Introduction

This briefing is intended for academics and policymakers interested in climate policy backlash specifically concerning the decarbonisation of domestic heating.

In the UK, <u>buildings are the second highest emitting sector after surface transport</u>. The Net Zero Strategy emphasises the UK Government's commitment to decarbonise heating by 2050, by phasing out natural gas boilers by 2035 whilst also making heat pumps 'as cheap to buy and run as a gas boiler'. Yet, <u>a recent report by the National Audit Office</u> concluded that, to meet the government's target of 600,000 annual heat pump installations by 2028, consumer demand would have to increase eleven-fold from current levels. Successfully decarbonising this sector will thus require far more ambitious action to change how households use energy, including regulation and phaseouts.

Recent policy developments in Germany offer a cautionary tale of how *not* to introduce an ambitious low-carbon heating policy. The initial policy proposals by the German Government would have revised the Buildings Energy Act (*Gebäudeenergiegesetz*; GEG) to create what has been described as one of the <u>'most radical pieces of climate legislation that Germany has ever produced</u>'. However, it triggered such a massive public backlash that influential mainstream media outlets dubbed it <u>'the heat hammer</u>'.

As the UK contemplates how to decarbonise its domestic housing stock, this briefing provides an analysis of what happened, as seen through the eyes of German MPs. It draws on interviews conducted during the backlash in 2023 to demonstrate the importance of 'fairness', 'choice' and 'communication' when introducing transformative climate policy.

#### Background - The 2023 Revisions to the Buildings Energy Act

Following Russia's invasion of Ukraine, Germany's reliance on Russian gas led to a difficult winter in terms of energy security in 2022/2023. The German government, comprised of the Social Democrats (SPD), the Greens and the Liberals (FDP), brought forward by a year their coalition agreement commitment to ensure all newly installed heating systems from 2024 were powered by at least 65% renewable energy, with heat pumps considered the <u>'best and most economical option for many buildings'</u>. This involved revising the existing Buildings Energy Act (GEG), a process led by the Federal Ministry for Economic Affairs and Climate Action (BMWK) and their minister, the Green politician Robert Habeck.

The revisions were first announced in April 2023, but were not tabled within parliament and <u>passed until September 2023</u>. However, an early draft of the proposed revisions were already in the public domain by the end of February after being <u>leaked to the German</u> <u>tabloid newspaper *Bild*</u>, who were instrumental in stoking an abrupt, negative reaction to the policy.

The draft's proposed three-year transition period for those with a broken natural gas or oil boiler to then install a system powered by at least 65% renewable energy was the focus of the media coverage. The most divisive issues were the financial costs of installing heat pumps, as well as the full ban of using gas and oil heating from 2045 in line with Germany's net zero target. In addition to media coverage, the draft<u>was also criticised by politicians</u> from opposition parties, and even from some MPs from the governing FDP party.

### Methodology

Original data in this briefing is derived from 34 elite interviews with German federal MPs (those sitting in the German parliament the *Bundestag*). The interviews, conducted between April and July 2023, coincided with the backlash. The interviews were conducted with MPs from all the parties represented in parliament (see table below). Three themes ('fairness', 'choice' and 'communication') in the thematic analysis of the interviews, reflect policy recommendations from past CAST research on <u>low-carbon heating</u> and <u>how politicians can avoid climate policy backlash</u>.

Party (from left to right ideologically)	The Left	SPD (Social Democrats	Greens	FDP (Liberals)	CDU/CSU (Christian Democrats)	AfD
No. of interviews	4	8	5	5	9	4
Governing experience	n/a	2	n/a	n/a	2	n/a
Retired	n/a	2	n/a	n/a	1	n/a

Table 1: MP Interviews by party, governing experience, and current sitting/retired status

#### Perceived fairness equals affordability?

<u>Previous CAST research</u> underlines the need for climate-friendly policies to be perceived as fair in order to be accepted, particularly for those on the lowest incomes. In the case of the proposed revisions to the GEG, the left-wing opposition party, The Left, argued they were unfair and yet another example that what is 'affordable from a citizen's standpoint' is 'forgotten' (Int23, The Left). Instead, this same interviewee questioned why the government was not leading by example, ensuring publicly owned buildings were the first to transition to low-carbon heating systems, providing valuable insights on issues such as training needs.

They were not the only ones to dispute the fairness of the policy. An AfD MP from the opposite end of the left-right spectrum also maintained it was an unfair ask of German citizens:

"After three years of Corona, the war in Ukraine, [and] exploding gas prices [...] people are tired. [...] [E]veryday [TV] talks about some kind of climate nonsense. [Y]ou now need to buy a heat pump [...] Who should pay?" (Int3, AfD)

The far-right populist AfD is the outlier in German politics as the only party that does not consider action for climate mitigation necessary, and some MPs in the party are vocal climate change deniers. Whilst both parties frame their own position in terms of a perceived financial unfairness, the AfD does not specify particular socioeconomic groups as The Left did.

MPs from the SPD and the Greens acknowledged how the financial implications of the proposed revisions to the GEG had created problems: the 'social question' of climate action needed to be integrated more into communications (Int19, Greens). Yet, they also accused opposition parties on the right, such as the CDU/CSU and the AfD, as well as their governing partner the FDP, of using the policy backlash to distinguish themselves politically (Int10, SPD).

However, there was a cross-party consensus that the failure to create perceptions of fairness and affordability of the policy proposals risked 'playing into the hands of extremists', i.e. the AfD (Int33, CDU/CSU; also Int10, SPD; Int8, The Left):

# Findings

"[The GEG] has created an impression that you can't heat your home in winter, [...]. [T]he goal, to make our heating as climate-neutral as possible, is the right one, but you can go about it the wrong way. [...] [I]n eastern German states, where the traumas of the 1990s are still very relevant [...]. The fears of [economic] loss are fuelled quicker which drives people into the arms of extremists." (Int33, CDU/CSU)

The German lesson here illustrates <u>CAST's previous findings</u>: what is considered a 'fair' or 'affordable' policy differs according to an individual's values, personal circumstances and capacity to act.

#### Championing heat pumps vs perceived lack of choice

<u>Recommendations from CAST research on UK public preferences for low-carbon lifestyles</u> highlight the need for policies to provide a range of options. The perception of the initial, leaked proposals to revise the GEG was that heat pumps were the favoured option to comply with the mandate for heating systems that are powered by at least 65% renewable energies.

MPs from opposition parties (CDU/CSU and AfD), and even governing parties (FDP and SPD), all critiqued this perceived lack of choice, as buildings come in all shapes and sizes (Int26, SPD; Int30, SPD); and the need to be 'open to a wide range of technology' and let the market decide what works best (Int17, FDP). The AfD's stance was more extreme, arguing that this policy was taking away individuals' freedoms and prosperity (Int5, AfD), as mandatory mask-wearing had during the pandemic (Int3, AfD).

There were also regional differences in the lack of enthusiasm for heat pumps. Members of the CSU, the Christian Democrats in Bavaria, were united in their critique of the initial proposal's exclusion of wood pellets for heating:

"[F]or generations [families in my constituency] have heated their homes with wood, so have never used fossil fuels." (Int14, CDU/CSU)

# Findings

From their perspective, banning the use of wood pellets as a heating source was an instance of 'ideology over reason' (Int24, CSU). Such constituents were later freed from having to change their heating system, as the <u>enacted version of the policy revisions</u> classified wood pellets as a renewable heating source, alongside further choice through different eligible systems such as direct electric heating, biomass heating, and hydrogen-ready gas heating. Whilst this does provide individuals with more choice, classifying some of these energy sources as 'renewable' remains controversial.

### The importance of well-prepared and effective 'communication' and explanation

In this case, the leaking of an early draft of the proposed revisions to the GEG prevented the German government and the responsible ministry from crafting a pro-active, trusted public engagement communications strategy, as <u>recommended by previous CAST research</u>. Nevertheless, multiple interviewees recognised the important role MPs play in policy communication and explanation (Int26, SPD; Int30, SPD; Int19, Greens; Int21, Greens):

"The energy transition began in the year 2000. [...] We've only experienced the heating transition for four months. [...] And many feel that it isn't fair, including supporters of the Greens. But [...] people don't know that [heating] has such a large impact on [...] the climate crisis. You need to explain that." (Int19, Greens)

Other Green MPs were dissatisfied with how this policy had been handled by government. One felt that it required a better legislative process (Int11, Greens), whereas another believed that hard decisions that impinged on people's everyday lives could not be overcome with just good communication, despite minister Robert Habeck's previous track record of effective communication during the winter of energy rationing following the Russian invasion of Ukraine (Int21, Greens).

With the government unable to challenge the policy backlash in the media, some opposition MPs across left and right were worried about the impact poor government communications had on delivering necessary climate action, now and in the future:

"Because of stupid communication the government has wrecked the heating transition. It's gone tits up in public opinion too, 90% are against it." (Int13, The Left) "With the GEG you have a brutal debate not based in facts – [even within] my party – however the politicians responsible failed to back it and say, 'That is the goal, [...] and because we fear a shortage of energy [and increasing] energy prices [...] it makes more sense to transition now'." (Int20, CDU/CSU)

With many of CAST's <u>recommendations</u> for government communications of climate policy not heeded in the case of the GEG, its unsurprising that a CDU/CSU MP with governing experience eloquently described the affair as 'an example of how *not* to do it' (Int33, CDU/CSU MP).

### Conclusions

In industrialised countries, such as the UK and Germany, domestic heating is a crucial but hardto-abate sector. Such countries are now considering precisely *how* to decarbonise such sectors. The shift to governing the 'how' is, however, ripe for politicisation not just in Germany, as this briefing demonstrates, but <u>also in the UK</u>.

The proposed GEG revisions in Germany offer a cautionary tale of 'how not to transform'. When interviewed, MPs admitted that they failed to take the public with them and effectively explain why a transformation of domestic heating was necessary to meet national net zero targets. As the government was forced to pursue a reactive communication strategy after an early draft of proposed revisions was leaked to the press, Ministers were unable to adequately prepare the public. Moreover, politicians across the political spectrum then failed to challenge the damaging media narrative that took hold in relation to issues of affordability and choice, resulting in revisions being enacted that were less ambitious in terms of emissions reduced.

1) For transformative policies to be accepted by publics, policymakers should ensure that they provide a variety of fair and affordable policy options, so that individuals can adopt what works best for them.

Members of the public need to be able to easily access impartial advice and guidance on the options available to them to decarbonise their homes. Governments could empower local authorities to develop heating plans that detail the local area's strategy to decarbonise its heating. Such plans not only provide localised information on the options available to individuals, but they also provide more certainty for long-term planning for local businesses.

#### 2) Well-prepared, clear and effective communication by government of the consequences of ambitious climate policies for individuals is crucial. Without it, the media and political groups can easily step in and hijack official policy narratives for short-term political gain.

As other CAST research recommends, politicians should ensure they listen to any concerns or grievances around climate policies, avoid dragging them into 'culture wars', and bear in mind how perceptions of fairness differ across various groups in society.

3) Whilst the political consensus remains on the *need* to tackle climate change, the policies of *how* to decarbonise can be politically contested. But in this, the critical decade of decarbonisation, policymakers should be acutely aware of the risks when politicising the implementation of effective climate action.

Understanding policy design from a politician's perspective is important, as it highlights the inevitably political nature of climate action. Policymakers and climate advocates should be comfortable with political contestation. It ensures the policy process remains democratically legitimate. Indeed, some MPs that we interviewed felt that acting too quickly and with insufficient public support risks stoking backlashes not only against specific climate policies, but *all* climate policies. That said, MPs should avoid fostering excessive levels of political contestation that stretch beyond the impact of a particular climate policy (e.g. into culture wars).

#### **Further information**

The interviews were generously funded by ESRC CAST and also feed into the ERC funded project DeepDCarb led by <u>Prof. Andy Jordan</u>. More of the interview data will eventually be reported in a monograph published by Oxford University Press. For further information, please visit the <u>DeepDCarb</u> website.

# Further reading

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